

1 **LEASE AGREEMENT**

2 **31767**

3 This Lease is made and entered in duplicate as of February 2, 2010
4 pursuant to a minute order adopted by the City Council of the City of Long Beach, at its
5 February 2, 2010 meeting, by and between the CITY OF LONG BEACH, a municipal
6 corporation and trust grantee of the State of California of certain tide and submerged
7 lands within the limits of said City ("City") and BEACH VENTURES ENTERPRISES,
8 INC., a California corporation with a business address of Post Office Box 41757, Long
9 Beach, California, 90853 ("Lessee").

10 WHEREAS, City is the trust grantee of the State of California of certain tide
11 and submerged lands upon which the premises are situated. The terms, conditions and
12 restrictions of the trust are expressed in Chapter 676, Statutes of 1911, Chapter 102,
13 Statutes of 1925 and Chapter 158, Statutes of 1935. Said trust conditions and grants
14 were amended by Chapter 29, Statutes of 1956, First Extraordinary Session and Chapter
15 138, Statutes of 1964, First Extraordinary Session. Neither this Lease nor the rights and
16 privileges granted Lessee shall be construed to imply the conveyance to Lessee of any
17 right or interest in the premises except which may be created pursuant to said statutory
18 grants and the Constitution of the State of California. This Lease and Leasehold estate
19 created thereby shall be subject and subordinate to said statutory grants and limitations
20 imposed by the Constitution of the State of California; and

21 WHEREAS, the City issued a Request for Proposal for the operation of a
22 food, beverage, and equipment rental concession at various locations along the coastline
23 and a paddle boat/aqua cycle concession at Rainbow Lagoon; and

24 WHEREAS, subject to appropriate approvals, City desires Lessee to
25 provide the above operations and services;

26 NOW, THEREFORE, in consideration of the mutual terms, covenants and
27 conditions in this Lease, the parties agree as follows:

28 1. PREMISES: City leases to Lessee, and Lessee leases from City,

1 and hereby accepts "as is" the following beach concession locations: Alamitos Beach
2 Stand (Shoreline Drive at Ocean Boulevard); Junipero Beach Stand (Cherry Avenue at
3 Junipero Street); Granada Avenue Stand (Ocean Boulevard at Granada Avenue);
4 Bayshore Beach Stand (5411 E. Ocean Boulevard) and Rainbow Lagoon – Paddle/Aqua
5 Cycle Concession (Pine Avenue at Shoreline Avenue), as described on Exhibit A. The
6 City reserves the right to expand the presence of these services at two (2) locations
7 currently under development. Incorporation of these additional sites into this document
8 shall be through mutual written consent. Shall Lessee determine that these additional
9 sites cannot be incorporated into their business as specified in this document; City shall
10 have the right to seek an alternate concessionaire for these locations.

11 Lessee acknowledges that he has not received and Lessor has not made
12 any warrant, express or implied, as to the condition of the Premises.

13 2. AUTHORIZED USE:

14 A. Purpose: City's primary purpose for entering into this Lease is
15 to provide services needed by the public. In furtherance of that purpose, Lessee,
16 during the term, shall use the Premises for the uses described below on a near
17 continuous basis during business hours agreed between the Lessee and the City
18 Manager or his or her designee. No use not specifically permitted by this section
19 shall be allowed without the written permission of the City Manager or his or her
20 designee ("Manager").

21 Lessee in the conduct of the concessions, shall not in any manner
22 whatsoever interfere with regular use of the beach and/or park area for its
23 intended purpose, i.e., the enjoyment thereof by the public.

24 Lessee shall not be in breach of this warranty if the Premises fail to
25 be in continuous use no more than forty-five (45) days in a calendar year, no more
26 than thirty (30) of which shall be consecutive without the permission of the
27 Manager.

28 B. Food, Beverage and Equipment Rental Concession: The

1 premises and the improvements shall be used for the purpose of operating four (4)
2 food and beverage services, including alcoholic beverage services only at special
3 occasions such as weddings, Sea Festival Events and other events only as
4 permitted through the Office of Special Events and Filming, rental equipment
5 concessions, and food cart services at designated sites along the coastline and
6 one (1) paddle boat/aqua cycle rental operation in Rainbow Lagoon. Lessee is
7 required to have customers complete and sign a waiver form before renting
8 equipment. The City reserves the right to expand the presence of these services at
9 two (2) locations currently under development. Leased premises are defined on
10 Exhibit "A". Exhibit "A" is by this reference made a part hereof.

11 C. Icehouse/Storage: Lessee at its sole cost shall be authorized
12 to convert the Alamitos Beach icehouse into a storage unit. Lessee shall utilize
13 the icehouse building located at Alamitos Beach for storage. All necessary
14 upgrades including paint and graphics are subject to approval by the Director.

15 D. Event Planning Activities: Lessee shall be authorized to
16 conduct event-planning services to include weddings and special events, outside
17 the Premises listed on Exhibit "A" as coordinated through and approved by the
18 Office of Special Events and Filming. All fees collected under this Section shall be
19 included as part of the gross receipts calculation under Section 2.F. Lessee
20 acknowledges that commencement of certain activities; services and operations
21 described in this section, may require specific approvals, permits and/or licenses.
22 Lessee shall at all times comply with all laws, ordinances, rules and regulations of
23 and obtain and maintain all necessary approvals, license and/or permits from all
24 federal, state, and local governmental authorities having jurisdiction over the
25 Premises and lessee's activities thereon. As the event organizer, Lessee shall
26 ensure that all event related activities comply with local laws applicable to noise
27 abatement. The City does not allow slam dancing, crowd surfing, mosh pits or
28 other similar activities. Lessee shall dispose of waste and garbage throughout the

1 term of the event, and immediately following the event, the area must be returned
2 to a clean and sanitary condition. Lessee shall submit to the Director copies of all
3 permits, licenses, and certificates within five (5) days after Lessee's receipt of
4 same.

5 E. Filming On/Off Premises: This Lease contemplates certain
6 activities such as filming, however, this Lease does not provide authorization for
7 Lessee to engage in any specific filming, special event or activity which requires a
8 Special Event Permit pursuant to the Long Beach Municipal Code issued through
9 the Special Events and Filming Office.

10 Lessee shall be entitled to collect a filming fee from commercial
11 filming organizations permitted through the Office of Special Events and Filming.
12 All fees collected under this Section shall be included as part of the gross receipts
13 calculation under Section 2.F. Lessee shall submit on an annual basis, to the
14 Director of Parks, Recreation and Marine a list of proposed fees by December 1st.
15 Final approval of the fees is at the sole discretion of the City.

16 F. Sea Festival Events: Lessee shall have the ability to schedule
17 and operate at its sole cost events associated with the annual Sea Festival as
18 directed by the Sea Festival Operator. Lessee shall pay the Sea Festival Operator
19 and Event Organizer the required concession fee for all activities approved by the
20 Director as Sea Festival Events. Ninety (90) days prior to the start of the Sea
21 Festival, Lessee shall submit a list of events to the Director for approval. Lessee
22 shall comply with local, county, state and federal regulations governing special
23 events governing special events in a coastal zone.

24 G. Community Events: Lessee shall operate community events
25 from time to time at their sole expense and responsibility. A community event is
26 defined as a public event held at the leased premises, promoted by the Lessee,
27 funded by the Lessee and executed by the Lessee, its management and agents.
28 For the purposes of organizing, operating, marketing, and sponsorship, it is

1 understood that the ownership rights for a community event belongs solely to the
2 Lessee. Lessee shall provide a list to the Director by January 1st for final approval
3 by the Director. On occasion, the Director will require the Lessee to participate in
4 various City events. All fees collected under this Section shall be included as part
5 of the gross receipts calculation under Section 2.F.

6 H. Other Permits: The City shall have the right to grant
7 additional permits for different purposes and additional permits for similar
8 purposes in conjunction with food and beverage sales, commercial picnic services,
9 weddings, and other special events. Lessee shall cooperate fully with any other
10 permittees in the vicinity.

11 I. Subcontracts: Lessee shall be permitted to subcontract third
12 party services and/or equipment provision, however all subcontractors shall be
13 approved in advance by the City Manager or his or her designee at his or her sole
14 discretion. Additionally, all Gross Revenue received from the subcontracting of
15 third parties shall be reported as well as all applicable percentage rent shall be
16 paid in accordance with Section 5 of this Lease.

17 3. NOISE ABATEMENT/CONDUCT: Lessee shall not use the
18 Premises nor conduct its business in any manner that will create a nuisance,
19 unreasonable annoyance, or waste. Lessee shall not make or permit any noise or odors
20 that constitute a nuisance within the meaning of California Civil Code Section 3479 or
21 California Penal Code Section 370. Lessee shall permit no intoxicated person, profane
22 or indecent language/behavior in or about the concession, and shall call upon the aid of
23 peace officers to assist in maintaining peaceful conditions. Under normal circumstances,
24 decibel levels within a predominately residential area must be ambient or no more than
25 50 dB(A) between 7:00 a.m. and 10:00 p.m., and less than 45 dB(A) from 10:00 p.m. until
26 7:00 a.m. throughout the year, weekdays and weekends inclusive. This requirement
27 applies to all sound checks, "warm up" sessions and announcements. Unless permitted
28 by the Office of Special Events and Filming amplified and live music is not allowed.

1 4. TERM: The term of this Lease shall commence at 12:01 a.m. on
2 January 1, 2010 and shall terminate at midnight on December 31, 2015. Upon
3 termination of this Lease (whether by lapse of time or otherwise), Lessee shall quit and
4 surrender possession of the Premises and remove its personal property therefrom. City's
5 City Manager shall have discretion for renewing this Lease for two (2) additional periods
6 of five (5) years upon mutual consent of the parties.

7 5. COMPENSATION:

8 A. Minimum/Percentage Rent: Lessee shall pay to Lessor an
9 annual minimum of Thirty-Five Thousand Dollars (\$35,000.00) or fifteen percent
10 (15%) of monthly gross receipts whichever is greater. Monthly percentage rent is
11 due on the twentieth (20th) day of each month following each delivery month in
12 which gross receipts are received whether received by Lessee, its subleases,
13 concessionaires or other person or entity operating under a contract with Lessee
14 from all Permitted concession, operations and activities. Lessee shall not have
15 any right of abatement, deduction, set off, prior notice or demand.

16 B. Reconciliation of Minimum Rent: In the event that percent of
17 gross receipts derived from Lessee's operations paid by Lessee to City does not
18 exceed *Thirty-Five Thousand Dollars (\$35,000.00)* for each lease year ("Minimum
19 Payment"), then Lessee shall pay to City the difference between Thirty-Five
20 Thousand Dollars (\$35,000.00) and the amount of Percentage Rate paid during
21 the lease year on or before March 31st.

22 C. Annual Adjustment to Minimum Rent: On an annual basis
23 during the term of this Lease, or any extensions thereof, City has the right to
24 increase the annual minimum rent paid by Lessee to the City. The minimum rent
25 shall be increased using the Consumer Price Index ("CPI") (all Urban Consumers)
26 for the Los Angeles – Riverside –Orange County, California area. Each increase
27 shall not be less than two (2) percent and no greater than five (5) percent.

28 D. Late Fee: If percentage rent is not received when due, a late

1 fee shall be assessed. The late fee shall be five percent (5%) or Fifty Dollars
2 (\$50.00), whichever is greater.

3 E. In addition to the late fees above, interest shall accrue on all
4 amounts owed from the due date, at a rate of ten percent (10%) per annum until
5 paid.

6 F. Gross Receipts. "Gross receipts" as used herein shall include
7 the following:

8 i. The gross selling price of all boat tickets or other
9 charges for the use of or passage aboard any Lessee authorized vessel
10 that docks or ties up at the Premises.

11 ii. The gross selling price for all food, beverages, and
12 other merchandise or services i.e., filming, event planning, sold or delivered
13 by Lessee, its permitted licensees, concessionaires, and persons, firms, or
14 corporations aboard said vessels.

15 iii. Gross receipts shall include sales for cash, credit, or
16 services whether collected or not. Gross receipts shall not include, or if
17 included shall be deducted (but only to the extent they have been included),
18 any sales and use taxes, transportation taxes, excise taxes, franchise
19 taxes, and other similar taxes now or in the future imposed on the sale of
20 tickets, food, beverages, merchandise, or services, but only if such taxes
21 are added to the selling price, separately stated, collected separately from
22 the selling price and collected from customers. Gross receipts shall not
23 include any value imputed to charitable charters (i.e., any charter in which
24 Lessee does not collect a fee or reimbursement for expenses).

25 G. Statement of Gross Receipts: Lessee shall prepare and
26 deliver or cause to be prepared and delivered to the City at:

27 Department of Parks, Recreation and Marine
28 2760 Studebaker Road

1 Long Beach, CA 90815-1697

2 Attention: Accounting Section

3 within twenty (20) days after the end of each month during the term of this Lease
4 or extension thereof, a financial statement showing in reasonable detail Lessee's
5 gross receipts for the preceding calendar month or partial calendar month and a
6 computation of the percentage fee provided for herein.

7 i. Lessee shall within thirty (30) days of each calendar
8 year deliver to the City, at the address set forth in subparagraph G. above,
9 a statement showing gross receipts of the preceding calendar year or
10 partial calendar year. Such statement shall be prepared and delivered to
11 City in accordance with generally accepted accounting practices containing
12 a statement of gross receipts and a computation of percentage of gross
13 receipts.

14 ii. Each statement shall be signed and certified to be
15 correct by an officer of Lessee.

16 6. FEES AND CHARGES: All fees and charges associated with the
17 permitted concessions, operations and activities and any changes to fee schedules shall
18 be subject to the prior written approval of the Manager.

19 7. AUDIT: The City shall be entitled during the initial term or any
20 extension thereof and within three (3) years after the expiration or termination of this
21 Lease to inspect, examine, and audit all Lessee's books of account, records, cash
22 receipts, and other pertinent data so City can ascertain Lessee's gross receipts. Lessee
23 shall cooperate fully with City in making any such inspection, examination, and audit.
24 The inspection, examination, or audit shall be conducted during usual business hours. If
25 an audit shows that there is a deficiency in the payment of any sum due the City, the
26 deficiency shall become immediately due and payable. The costs of the audit shall be
27 paid by the City unless the audit shows that Lessee understated gross receipts by more
28 than three percent (3%), in which case Lessee shall pay all City's costs of the audit. If it

1 is determined by an audit that there is an overpayment of percentage fees, a refund shall
2 become due from the City.

3 8. BOOKS OF ACCOUNT AND RECORDS:

4 A. Lessee shall keep, within the City of Long Beach, complete
5 and accurate books of account, records, cash receipts, and other pertinent data
6 showing all gross receipts, all in accordance with generally accepted accounting
7 principles.

8 B. Lessee shall install and maintain accurate receipt printing
9 cash registers or computer systems and shall record on the cash registers or
10 computer systems every sale of merchandise and services or other transactions at
11 the time of the transaction on either a cash register having a sealed, continuous
12 cash register tape with cumulative totals that numbers, records and duplicates
13 each transaction entered into the register, or serially numbered sales slips.

14 If Lessee chooses to record each sale by using a cash register, the
15 continuous cash register tape will be sealed or locked in such a manner that it is
16 not accessible to the person operating the cash register. Lessee is required to
17 close out both the x and z key daily. In addition, Lessee shall post a sign by each
18 cash register that states: "If you do not receive a receipt please call (562) 570-
19 3103."

20 If Lessee chooses to record each sale by using a computer system,
21 the computer generated receipts shall be retained in chronological order (including
22 those canceled, voided or not used) for three (3) years.

23 If Lessee chooses to record each sale on individual slips, the sales
24 slips (including those canceled, voided, or not used) will be retained in numerical
25 sequence for three (3) years.

26 C. Lessee, will prepare or cause to be prepared, preserve, and
27 maintain, for a period of not less than three (3) years these books, accounts and
28 records:

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i. Daily cash register summary tapes and sealed, continuous cash register tapes or prenumbered sales slips or computer transaction receipts on transaction summary reports;

ii. A single, separate bank account into which all receipts of business or other revenue from operations on or from the Lease Area are deposited;

iii. All bank statements detailing transactions in or through any business bank account;

iv. Daily or weekly sales capitulations;

v. A general ledger or a summary record of all cash receipts and disbursements from operations on or from the Lease Area;

vi. Copies of all tax returns filed with any governmental authority that reflect in any manner sales, income, or revenue generated in or from the permitted Premises, including, but not limited to, federal income tax returns and state sales or use tax returns;

vii. Other records or accounts that City may reasonably require in order to ascertain, document, or substantiate gross receipts.

D. Lessee shall keep within the City of Long Beach all of the books, records, and other documents in the manner recited in this paragraph, and will make said books, records and documents available for inspection, examination, or audit by City or City's designated representative upon giving Lessee five (5) days prior notice of City's intention to exercise its rights under this paragraph. In connection with an examination of audit, City will have the right to inspect the records of sales from any other store operated by Lessee, but only if the examination is reasonably necessary to ascertain gross sales from the Premises. If upon inspection or examination of Lessee's available books and records of account, City determines that Lessee has failed to maintain, preserve, or retain the documents, books, and records that this Lease requires Lessee to

1 maintain in the manner set forth in this paragraph, City will give the Lessee sixty
2 (60) days to cure the deficiencies. Further, if Lessee is found to be deficient in
3 maintaining any of documents, books, or records, Lessee will reimburse City for all
4 reasonable expenses incurred by City in determining the deficiencies, including
5 without limitation any audit or examination fees.

6 E. The receipt by City of any statement or any payment of
7 compensation for any period shall not bind City as to the correctness of the
8 statement or payment.

9 9. CODE COMPLIANCE UPGRADES: Upon execution of the contract,
10 Lessee shall install a Wet/Chem fire suppression system at each location, at its sole cost
11 within ninety (90) days.

12 10. CAPITAL IMPROVEMENTS:

13 A. Upon the execution of this lease agreement or during the term
14 of the Lease, Lessee, at its sole cost shall invest a minimum of One Hundred and
15 Fifty Thousand (\$150,000.00) in capital improvements. By the end of year one (1),
16 Lessee shall complete Fifty Thousand (\$50,000.00) in capital improvements.
17 Within eighteen (18) months of executing each renewal, Lessee shall complete
18 additional capital improvements with a value of Fifty Thousand (\$50,000.00) per
19 extension. All projects are subject to the approval of the Director. (Year one (1) –
20 Fifty Thousand Dollars (\$50,000.00); Year five (5) – Fifty Thousand Dollars
21 (\$50,000.00); and Year nine (9) – Fifty Thousand Dollars (\$50,000.00). However,
22 shall Lessee deem that the more timely completion of capital improvements will
23 benefit sales revenue, Lessee has the option of investing the required One
24 Hundred and Fifty Thousand (\$150,000.00) in capital improvements upon
25 execution of the contract or on a date prior to those listed above with prior
26 approval by the Department Director.

27 B. Capital Project Priority Order: Lessee shall plan for capital
28 projects in the following priority order: Alamitos Beach "Side Out Café", Granada

1 "Sunsets on the Beach", Cherry Beach and the "Kayak Café". Final approval of all
2 projects is subject to the sole discretion of the Department Director.

3 C. In order to qualify as a capital improvement project ("Project"),
4 the project must meet the following:

5 i. Must cost Five Thousand (\$5,000.00) or more;

6 ii. Must have a useful life of ten (10) years;

7 iii. Must improve, renovate and/or extend the life of a
8 facility or infrastructure;

9 iv. Often takes more than a single year to complete the
10 planning, design, and develop scope of work, specifications, competitive
11 bidding and award of contract, secure permits and inspections and
12 performance of work.

13 v. The Department Director has the discretion to waive
14 the requirements of Section 10.C.

15 11. IMPROVEMENTS: Lessee shall not install, erect, or construct any
16 building, improvement, or structure on the Premises nor alter the same without the prior
17 written approval of the Manager and work so approved shall be in accordance with the
18 following:

19 A. Compliance with Law: Lessee's work shall comply with all
20 applicable governmental laws, rules, regulations and orders. Prior to
21 commencement of construction, Lessee shall procure, at its sole expense, all
22 necessary building, fire, safety and other Permits. City will cooperate with Lessee
23 in obtaining such Permits provided, however, City's cooperation shall not be
24 deemed or construed as a waiver of any right or obligation of City acting in its
25 governmental capacity.

26 B. No Liens: Lessee shall keep the Premises free from all liens
27 for any work done, labor performed or material furnished by or for Lessee. Lessee
28 shall defend, indemnify and hold City, its officials and employees harmless from

1 and against all claims, liens, demands, causes of action, liability, loss, costs and
2 expenses, including reasonable attorney's fees, for any such work done, labor
3 performed, or materials furnished on the Premises or to Lessee for construction or
4 repair. If a lien is imposed on the Premises as a result of construction or repair,
5 Lessee shall: (I) record a valid release of lien; or (ii) deposit with City cash in an
6 amount equal to 125% of the amount of the lien and authorize payment to the
7 extent of said deposit to any subsequent judgment holder with regard to the lien;
8 or (iii) procure and record a lien release bond in accordance with California Civil
9 Code Section 3143 issued by a surety authorized to do business in California.

10 C. Notice of Nonresponsibility: Lessee shall give notice to City
11 twenty (20) days prior to the commencement of Lessee's work or other work of
12 improvements for the purpose of enabling City to post and record notices of
13 nonresponsibility under the provisions of Section 3094 of the California Civil Code,
14 or any other similar notices which may be allowed by law.

15 D. Notice of Completion: On completion of Lessee's work,
16 Lessee shall file a Notice of Completion in the Official Records of the Los Angeles
17 County Recorder.

18 E. Contracts for Work: All contracts entered by Lessee relating
19 to the Premises shall contain the following statement:

20 "This contract shall in no way bind the City of Long Beach nor
21 obligate it for any costs or expenses whatsoever under this contract."

22 F. Completion of Work: Lessee's work shall be deemed to have
23 been completed upon execution and delivery to City of notice certifying completion
24 thereof and further certifying that all costs and expenses thereof have been paid
25 and that there are no unpaid costs or expenses of any nature related thereto.

26 G. Ownership of Improvements: Any building, structure or other
27 improvement constructed or placed on the Premises by Lessee, at Lessee's cost,
28 shall become the property of City without the payment of any compensation

1 therefore.

2 12. ADVERTISING:

3 A. Advertising Signs: Lessee, at its cost, may place or erect and
4 maintain signs on the Premises, provided that Lessee obtains prior written
5 approval from the Department of Parks, Recreation and Marine. Further, Lessee's
6 sign shall be in compliance with City's sign ordinance and conditions of the
7 Department of Parks, Recreation and Marine.

8 13. UTILITIES: Lessee, at its cost, shall promptly pay or cause to be
9 paid all utility fees, costs and charges resulting from such use or assessments for utilities
10 levied against the Premises for any period during the term of this Lease.

11 14. TRASH REMOVAL AND DISPOSAL: Lessee shall keep the
12 Premises in a neat and sanitary condition, as determined by the Manager in his/her sole
13 discretion, including but not limited to removing and cleaning any graffiti, waste, refuse,
14 trash or debris from the Premises. No offensive or refuse matter constituting a fire
15 hazard or nuisance shall be deposited or remain on the Premises. All refuse, trash,
16 debris and/or waste material shall be removed from the Premises, at Lessee's sole cost,
17 in plastic bags of ten (10) mils or thicker. The City shall have the right to modify or
18 change the trash removal operation of Lessee and Lessee agrees to accept and comply
19 with such modifications or changes.

20 15. MAINTENANCE AND REPAIR:

21 A. Lessee shall maintain, at its sole cost and to the satisfaction
22 of Manager, the Premises and all improvements, thereon including but not limited
23 to restaurant and food concession areas, in a safe, clean, good condition, in
24 substantial repair, and in compliance with all applicable laws, rules and
25 regulations. Lessee shall furnish adequate containers for the disposal of trash and
26 garbage and shall pay any trash disposal charges incurred therefore. Lessee shall
27 not allow refuse matter or any substance constituting a fire hazard, material
28 detrimental to the public health or any hazardous material at the concession on the

1 property where the concession is located. Lessee shall remove graffiti within
2 twenty-four (24) hours after it appears. Lessee's duty to maintain shall include but
3 not be limited to the duty to repair and replace the improvements, as needed. If
4 Lessee fails to maintain the Premises, City may notify Lessee of said failure. If
5 Lessee fails to correct the situation within thirty (30) days after notice or such
6 longer period as may be established by City, then City may make the necessary
7 correction and the cost thereof, including but not limited to the cost of labor,
8 materials, equipment and administration, shall be paid by Lessee as additional
9 rent, within ten (10) days after receipt of a statement of said costs from City. City
10 may at its option, choose other remedies available herein or by law. Lessee
11 hereby waives the extent permitted by law any right to make repairs at the
12 expense of City or to vacate the Premises in lieu thereof as may be provided by
13 law. City shall have no obligation to perform any maintenance on the Premises.

14 B. Lessee shall provide labor and/or equipment, as requested by
15 the Manager of the Marinas and Beaches, or designee for maintenance of the
16 volleyball courts adjacent to the leased premises. Lessor shall reimburse the
17 Lessee for labor costs at a rate of thirty-two dollars and fifty cents (\$32.50) per
18 hour and shall either provide and/or reimburse Lessee for the actual costs of
19 equipment associated with maintenance of the volleyball courts as requested
20 under this section. On an annual basis during the term of this Lease, or any
21 extensions thereof, Lessee has the right to increase the reimbursement rate by
22 using the Consumer Price Index for Los Angeles – Riverside – Orange County,
23 California area. Each increase shall not be less than two percent (2%) and no
24 greater than five percent (5%).

25 16. NO CITY LIABILITY: City, its boards, commissions, officials and
26 employees shall not be liable for and Lessee hereby waives all claims against them for
27 loss, theft, or damage to vessels, equipment, furniture, trade fixtures, furnishings,
28 records, and other personal property in, on or at the Premises, for loss or damage to

1 Lessee's business, or injury to or death of persons in, on or at the Premises from any
2 cause except to the extent caused by the gross negligence or willful misconduct of the
3 City, its Board, commissions, officials and employees.

4 17. DAMAGE OR DESTRUCTION OF IMPROVEMENTS:

5 A. Responsibility for Repair. If any building or improvement at
6 any time on the Premises shall be damaged or destroyed by any cause
7 whatsoever during the Lease term or extension thereof, Lessee shall, with
8 reasonable promptness, report the damage to the City. The City shall have
9 responsibility to make repairs to replace the same, to at least the condition existing
10 immediately prior to such damage or destruction. The Lessee shall be responsible
11 for reimbursing the City for the pro rata share of expenses incurred to repair or
12 replace the damage or destruction to the Premises to the extent contributed to by
13 the act or omission of Lessee, its employees or agents. Lessee shall be
14 responsible for reimbursing the City even though the proceeds of any insurance
15 policies covering the loss ("Insurance Proceeds") shall be insufficient to reimburse
16 Lessee therefore, provided, however, that if such proceeds of insurance are more
17 than sufficient to pay the cost of any such rebuilding; Lessee shall be entitled to
18 receive any surplus. City at its discretion may authorize Lessee to make repairs to
19 replace the same to at least the condition existing immediately prior to such
20 damage or destruction. Such authorization shall be in writing.

21 B. Insurance Proceeds: Insurance Proceeds shall be held by an
22 Insurance Trustee mutually agreed to by the parties, but shall be paid to the
23 Lessee or as Lessee may direct from time to time as the restoration of the
24 Premises progresses, to pay or reimburse City for the cost of such restoration
25 upon the written request of City accompanied by evidence satisfactory to the
26 Insurance Trustee that:

27 i. An amount equal to the amount requested is then due
28 and payable or has been paid and is properly a part of such cost of restoration;

1 ii. That the net Insurance Proceeds not yet advanced will
2 be sufficient for the completion of the restoration.

3 If at any time during the period of restoration and/or reconstruction the City
4 shall determine that the Insurance Proceeds are insufficient to cause such restoration,
5 then upon delivery of written notice thereof and specifying the deficit Lessee shall deposit
6 in trust with the Insurance Trustee such additional sums as may be required to complete
7 the restoration of the Premises. Upon receipt by the Insurance Trustee of evidence
8 satisfactory to it that:

9 (a) The restoration of the Premises has been
10 completed;

11 (b) The cost thereof has been paid in full; and

12 (c) There are no mechanic's or similar liens for
13 labor or materials supplied in connection therewith, the balance, if
14 any, of such Insurance Proceeds shall be paid to Lessee or as the
15 Lessee may direct.

16 C. Procedure for Restoration of Improvements: Following
17 damage to all or any portion of the Premises, Lessee shall reimburse the City for
18 restoration of the Premises and/or the improvements thereon, whether or not
19 insurance proceeds are sufficient to do so.

20 18. INSURANCE: Concurrent with the execution of this Lease and in
21 partial performance of Lessee's obligations hereunder, Lessee shall procure and
22 maintain at Lessee's expense for the duration of this Lease, including any extensions,
23 renewals, or holding over thereof, the following insurance coverages from insurance
24 companies that are admitted to write insurance in the State of California or from
25 authorized nonadmitted insurers that have ratings of or equivalent to an A:VIII by A.M.
26 Best and Company:

27 A. Commercial General Liability insurance (equivalent in
28 coverage scope to ISO form CG 00 01 11 85 or 11 88) in an amount not less than

1 One Million Dollars (\$1,000,000.00) combined single limit per occurrence and
2 covering the Lessee's operations under or in connection with this Lease. If the
3 policy contains a general aggregate, the general aggregate shall be in an amount
4 not less than Two Million Dollars (\$2,000,000.00). Such insurance shall include, as
5 may be applicable to Lessee's operations under or in connection with this Lease,
6 broad form contractual liability, products and completed operations liability and
7 liquor liability. The City of Long Beach, its officials, employees and agents shall be
8 added as additional insureds by endorsement (equivalent in coverage scope to
9 ISO form CG 20 26 11 85). This insurance shall contain no special limitations on
10 the scope of protection afforded to the City, its officials, employees and agents,
11 and shall provide cross-liability protection.

12 B. Protection and Indemnity including, as may be applicable to
13 Lessee's operations under or in connection with this Lease, injury to passengers,
14 damage to piers, docks and pilings and property on piers and docks, wreck
15 removal, and collision liability in an amount not less than One Million Dollars
16 (\$1,000,000.00.00) per occurrence for each vessel operating under this Lease. If
17 the policy contains a general aggregate, the general aggregate shall be in an
18 amount not less than Two Million Dollars (\$2,000,000.00.00). The City of Long
19 Beach, its officials, employees and agents shall be added as additional insureds
20 by endorsement. This insurance shall contain no special limitations on the scope
21 of protection afforded to the City, its officials, employees, and agents, and shall
22 provide cross-liability protection.

23 C. "All Risk" property insurance in an amount sufficient to cover
24 the full replacement value of the buildings and structural improvements leased to
25 Lessee by Lessor. Lessor shall be named as an insured under a standard loss
26 payable endorsement.

27 D. "All Risk" property insurance in an amount sufficient to cover
28 the full replacement value of Lessee's personal property and equipment on the

1 Premises.

2 E. Business interruption insurance insuring that the rent due
3 Lessor shall be paid for a period of up to twelve (12) months if the Premises are
4 destroyed or rendered inaccessible.

5 F. Workers' Compensation as required by the State of California
6 endorsed, as applicable, to include United States Longshoremen and Harbor
7 Workers' Compensation Act coverage and Jones' Act coverage and Employer's
8 Liability insurance with minimum limits of One Million Dollars (\$1,000,000.00.00).

9 Any self-insurance program or self-insured retention must be
10 approved separately in writing by City and shall protect the City of Long Beach, its
11 officials, employees, and agents in the same manner and to the same extent as they
12 would have been protected had the policy or policies not contained retention provisions.

13 Each insurance policy shall be endorsed to state that coverage shall
14 not be suspended, voided, materially changed, or canceled by either party except after
15 thirty (30) days prior written notice to City, and shall be primary to City. Any insurance or
16 self-insurance maintained by City shall be excess to and shall not contribute to insurance
17 or self-insurance maintained by Lessee.

18 Lessee shall deliver to City certificates of insurance and the required
19 endorsements for approval as to sufficiency and form prior to commencement of this
20 Lease. The certificates and endorsements for each insurance policy shall contain the
21 original signature of a person authorized by that insurer to bind coverage on its behalf.
22 Lessee shall, at least thirty (30) days prior to expiration of such policies, furnish City with
23 evidence of renewals. City reserves the right to require complete certified copies of all
24 said policies at any time.

25 Such insurance as required herein shall not be deemed to limit
26 Lessee's liability relating to performance under this Lease. The procuring of insurance
27 shall not be construed as a limitation on liability or as full performance of the
28 indemnification and hold harmless provisions of this Lease. Lessee understands and

1 agrees that, notwithstanding any insurance, Lessee's obligation to defend, indemnify, and
2 hold City, its officials, agents, and employees harmless hereunder is for the full and total
3 amount of any damage, injuries, loss, expense, costs, or liabilities caused by or in any
4 manner connected with the operations of Lessee.

5 Not more frequently than every three (3) years, if in the opinion of
6 City, the amount of the foregoing insurance coverages is not adequate, Lessee shall
7 amend the insurance coverage as required by City's Risk Manager or designee.

8 Any modification or waiver of the insurance requirements herein shall
9 be made only with the written approval of the City's Risk Manager or designee.

10 19. INDEMNIFICATION:

11 A. General Indemnity: Lessee shall defend and indemnify the
12 City of Long Beach and its officers and employees while acting within the scope of
13 their duties from and against any and all actions, suits, proceedings, claims and
14 demands, costs (including attorneys' fees and court costs), expense and liability of
15 any kind or nature whatsoever ("claims") for injury to or death of persons or
16 damage to property (including property owned by or under the control of the City)
17 which may be brought, made, filed against, imposed upon or sustained by the City,
18 its officers or employees based upon or arising out of:

19 i. An act or omission of Lessee, its officers, agents,
20 employees, contractors, licensees or invitees or of any person entering
21 upon the Premises with the express or implied invitation of Lessee;

22 ii. A violation by Lessee, its officers, agents, employees,
23 contractors, licensees or invitees or of any other person entering upon the
24 Premises with the express or implied invitation of Lessee of any law
25 ordinance or governmental order of any kind;

26 iii. The use or occupancy of the Premises by Lessee, its
27 officers, agents, employees, contractors, licensees or invitees or of any
28 other person entering upon the Premises with the express or implied

1 invitation of Lessee.

2 This indemnity shall not include claims based upon or arising out of
3 the sole negligence, gross negligence, or willful misconduct of the City, its
4 officers and employees. Further, this indemnity shall not require payment
5 of a claim by the City or its officers or employees as a condition precedent
6 to the recovery under the same. This indemnification provision
7 supplements and in no way limits the scope of the indemnifications set out
8 in subparagraph 19.B below. The indemnity obligation of Lessee under this
9 paragraph shall survive the expiration or termination, for any reason, of this
10 Lease.

11 B. Environmental Release and Indemnification:

12 Lessee hereby agrees to hold harmless, defend and indemnify the
13 City and its employees, members and officials from and against all liability, loss,
14 damage, costs, penalties, fines and/or expenses (including attorneys' fees and
15 court costs) arising out of or in any way connected with or the activities, acts or
16 omissions of Lessee, its Lessees, employees, contractors or agents on or affecting
17 the Premises without regard to fault or negligence including but not limited to the
18 release of any hazardous materials into the air, soil, groundwater or surface water
19 on, in, under or from the Premises whether such condition, liability, loss, damage,
20 cost, penalty, fine and/or expense shall accrue or be discovered before or after
21 termination of this Lease. This indemnification supplements and in no way limits
22 the scope of the indemnification set forth in paragraph 19.A. above.

23 In addition, Lessee waives, releases, acquits and forever discharges
24 City, its employees, members and officials or any other person acting on behalf of
25 City, of and from any and all claims, actions, causes of action, demands, rights,
26 damages, costs, expenses, or compensation (collectively "claims") whatsoever
27 (including, but not limited to, all claims at common law and/or under any federal,
28 state or local environmental, health and/or safety-related law, rule, regulation or

1 order, currently existing and as amended or enacted in the future ("Environmental
2 Law"), whether direct or indirect, known or unknown, foreseen or unforeseen,
3 which Lessee now has or may have or which may arise in the future on account of
4 or in any way growing out of or in connection with any hazardous materials on,
5 under, from, or affecting the Premises, or any law or regulation applicable thereto.
6 Lessee acknowledges that it is familiar with Section 1542 of the California Civil
7 Code which reads: "A general release does not extend to claims which the creditor
8 does not know or suspect to exist in his favor at the time of executing the release,
9 which if known by him must have materially affected his settlement with the
10 debtor."; and hereby releases the Lessee from any unknown claims and waives all
11 rights it may have under Section 1542 of the Civil Code or under any other statute
12 or common law principle of similar effect.

13 i. Exclusions:

14 (a) Contamination on, beneath, or abutting the
15 Premises which existed prior to the initial commencement date of the
16 Lease.

17 (b) Contamination which has emanated or
18 emanates from a location off site the Premises and which has
19 trespassed onto, underneath or across the Premises.

20 (c) Contamination which is unrelated to Lessee's
21 use, occupancy of Lessee's sublessees, invitees, or guests, on the
22 Premises.

23 (d) Lessee need not indemnify City for activities
24 carried on or around the Premises by City as part of occasional use
25 of the Premises by City or its other Lessees, licensees, or the like or
26 actions of the public who have not been Permitted or solicited by
27 Lessee.

28 C. Definition: "Hazardous material" means any substance:

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i. The presence of which requires investigation or remediation under any federal, state or local statute, regulation, ordinance, order, action, policy or common law; or

ii. Which is or becomes defined as a "hazardous waste," "hazardous substance," pollutant or contaminant under any federal, state or local statute, regulation, rule or ordinance or amendments thereto including, without limitation, the Comprehensive Environmental Response, Compensation and Liability Act (42 U.S.C. section 9601 et seq.) and/or the Resource Conservation and Recovery Act (42 U.S. C. Section 6901 et seq.); or

iii. Which is toxic, explosive, corrosive, flammable, infectious, radioactive, carcinogenic, mutagenic, or otherwise hazardous and is or becomes regulated by governmental authority, agency, department, commission, board, agency or instrumentality of the United States, the State of California or any political subdivision thereof; or

iv. The presence of which on the Premises causes or threatens to cause a nuisance upon the Premises or to adjacent properties or poses or threatens to pose a hazard to the health or safety of persons on or about the Premises; or

v. The presence of which on adjacent properties could constitute a trespass by Lessee; or polychlorinated bipheynols (PCBs), asbestos or urea formaldehyde foam insulation.

20. FORCE MAJEURE: City and Lessee shall not be deemed to be in default in the performance of the terms, covenants or conditions of this Lease if either party is prevented from performing said terms, covenants or conditions by causes beyond its control, including, without limitation, acts of God or the public enemy; failures due to nonperformance or delay of performance by suppliers or contractors; any order, directive or other interference by municipal, state, federal or other governmental official or agency;

1 any catastrophe resulting from the elements, flood, fire, explosion, or any other cause
2 reasonably beyond the control of a party, but excluding strikes or other labor disputes,
3 lockouts, work stoppages or financial inability.

4 21. ASSIGNMENT OR TRANSFER: Lessee shall not assign or transfer
5 this Lease nor shall any interest herein be assignable or transferable by operation of law
6 or by any process or proceedings of any court or otherwise. Any attempted transfer or
7 assignment shall be void and confer no rights whatsoever upon a transferee or assignee.

8 Notwithstanding the foregoing, Lessee may grant subleases, licenses or
9 concessions to others provided Lessee shall first obtain the written consent of the
10 Manager. The Manager shall not be required to give any consent to a proposed
11 sublease, licensing or grant of concession rights, unless and until Lessee has submitted
12 to the Manager such additional information regarding the identity of proposed sublessee,
13 licensee or concessionaire and the terms and conditions of the proposed transaction as
14 may be required by the Manager to make a determination to grant or withhold such
15 consent. Further, the Manager shall have the right to impose such further conditions in
16 connection with the granting of consent as may be required to assure that public health,
17 safety, welfare and convenience will be best served by the proposed sublease, license or
18 concession.

19 If Lessee shall be adjudicated a bankrupt or become insolvent or any
20 interest in this Lease be taken by virtue of attachment, execution, or receivership, the City
21 may terminate this Lease upon five (5) days written notice to Lessee.

22 22. HOLDING OVER: This Lease shall terminate without any further
23 notice as of the Lease expiration date set forth in paragraph three above. Any holding
24 over by Lessee after the Lease expiration date shall not constitute a renewal or extension
25 or give Lessee any rights in or to the Premises except as expressly provided in this
26 Lease. Any holding over after the Lease expiration date with the consent of City shall be
27 construed to be a tenancy from month to month, at fees no less than the fees due for the
28 last year of the Lease term or any extension, and shall otherwise be on the terms and

1 conditions herein specified.

2 23. INSPECTION: The City's authorized representatives shall have
3 access to and across the Premises during business hours and, in the event of an
4 emergency, at any other time for inspection, repair of publicly-owned utilities and
5 structures, and for fire and police purposes. The City, acting through the Marine Bureau
6 of the Department of Parks, Recreation and Marine, shall have the right, but not the
7 obligation, to board and inspect any such vessels to assure compliance by Lessee with
8 the provisions of this Lease. During any inspection, the City shall have the right to use
9 photographic devices, equipment or other instruments for recording conditions and
10 events on the Premises.

11 24. GENERAL PROVISIONS:

12 A. Notices, Demands and Communication Between the Parties:

13 Notices, demands, and communication between City and Lessee shall be in
14 writing and shall be sufficiently given if personally served or if mailed by registered
15 or certified mail, postage prepaid, return receipt requested addressed as follows:

16 TO CITY: City Manager
17 13th Floor, City Hall
18 333 West Ocean Boulevard
19 Long Beach, California 90802

20
21 WITH A COPY TO: Director of Parks, Recreation & Marine
22 2760 Studebaker Road
23 Long Beach, California 90815-1697

24
25 TO LESSEE: Beach Ventures Enterprises, Inc.
26 Post Office Box 41757
27 Long Beach, CA 90853

28 Either party may change its address by notifying the other party of the

1 change of address. Notice shall be deemed communicated within forty-eight (48) hours
2 from the time of mailing if mailed as provided in this paragraph.

3 B. Conflict of Interest: No member, official or employee of City
4 shall have any personal interest, direct or indirect, in this Lease, nor shall any such
5 member, official or employees participate in any decision relating to this Lease
6 which affects his personal interest or the interests of any corporation, partnership
7 or association in which he is, directly or indirectly, interested. No member, official
8 or employee of City shall be personally liable to Lessee, or any successor in
9 interest, in the event of any default or breach by City or for any amount which may
10 become due to Lessee or successor or on any obligations under the terms of this
11 Lease.

12 C. Defaults and Remedies:

13 i. Defaults – General: Failure by either party to perform
14 any term or provision of this Lease constitutes default under this Lease, if
15 not cured within thirty (30) days from the date of receipt of a written notice
16 from the other party specifying the claimed default provided that such
17 default cannot reasonably be cured within such thirty (30) day period, the
18 party receiving such notice of default shall not be in default under this
19 Lease if such party commences the cure of such default within such thirty
20 (30) day period and thereafter diligently prosecutes the steps to cure such
21 default to completion.

22 ii. Institution of Legal Actions: In addition to any other
23 rights or remedies, either party may institute legal action to cure, correct, or
24 remedy any default, to recover damages for any default, or to obtain any
25 other remedy consistent with the purpose of this Lease. Such legal actions
26 must be instituted in the South Branch of the Superior Court of the County
27 of Los Angeles, State of California, or in the Federal District court in the
28 Central District of California. The prevailing party in any action commenced

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pursuant to this Lease shall be entitled to recover reasonable costs, expenses and attorneys' fees.

iii. Applicable Law: The laws of the State of California shall govern the interpretation and enforcement of this Lease. Lessee during its use and occupancy of the Premises shall at all times comply with all laws, ordinances, rules, and regulations of and obtain Permits from all federal, state, and local governmental authorities having jurisdiction over the Premises, Lessee's vessels and Lessee's activities thereon.

iv. Service of Process: In the event any legal action is commenced by Lessee against City, service of process on City shall be made by personal service upon the City Clerk of the City, or in such other manner as may be provided by law.

In the event that any legal action is commenced by City against Lessee, service of process on Lessee shall be made as provided by law and shall be valid whether made within or without the State of California.

v. Rights and Remedies Are Cumulative: Except as otherwise expressly stated in this Lease, the rights and remedies of the parties are cumulative, and the exercise by either party of one or more such rights or remedies shall not preclude the exercise by it, at the same or different times, of any other rights or remedies for the same default or any other default by the other party.

vi. Inaction Not a Waiver of Default: Any failures or delays by either party in asserting any of its rights and remedies as to any default shall not operate as a waiver of any default or of any such rights or remedies or deprive either such party of its right to institute and maintain any actions or proceedings which it may deem necessary to protect, assert or enforce any such rights or remedies.

1 vii. Remedies: In the event of a default by Lessee, which
2 is not cured by Lessee within the times specified in this Lease, City without
3 further notice to Lessee, may declare this Lease and/or Lessee's right of
4 possession at an end and may reenter the Premises by process of law, in
5 which event, City shall have the right to recover from Lessee:

6 (a) The worth at the time of award of the unpaid
7 fees which has been earned at the time of termination, plus interest;

8 (b) The worth at the time of award of the amount by
9 which the unpaid fees which would have been earned after
10 termination until the time of award exceeds the amount of such fee
11 loss that Lessee proves could have been reasonably avoided, plus
12 interest;

13 (c) The worth at the time of award of the amount by
14 which the unpaid fees for the balance of the term after the time of
15 award exceeds the amount of such fee loss for the same period the
16 Lessee proves could be reasonably avoided, plus interest thereon;
17 and

18 (d) The remedies of City as hereinabove provided
19 are cumulative to the other provisions of this Lease.

20 D. Partial Invalidity: If any term or provision of this Lease or the
21 application thereof to any party or circumstances shall, to any extent, be held
22 invalid or unenforceable, the remainder of this Lease, or the application of such
23 term or provisions, to persons or circumstances other than those as to whom or
24 which it is held invalid or unenforceable, shall not be affected thereby, and each
25 term and provision of this Lease shall be valid and enforceable to the fullest extent
26 permitted by law.

27 E. Entire Agreement, Waivers and Amendments: This Lease
28 constitutes the entire understanding and agreement of the parties. This Lease

1 integrates all the terms and conditions mentioned herein or incidental hereto, and
2 supersedes all negotiations between the parties with respect to all or any part of
3 the subject matter hereof.

4 F. Waivers: All waivers of the provisions of this Lease must be
5 in writing by the appropriate authorities of City or Lessee and all amendments
6 hereto must be in writing by the appropriate authorities of City and Lessee.

7 G. Successors in Interest: The provisions of this Lease shall be
8 binding upon and shall inure to the benefit of the heirs, executors, assigns and
9 successors in interest of the parties hereto.

10 H. Nondiscrimination: In connection with performance of this
11 Lease and subject to applicable laws, rules and regulations, Lessee shall not
12 discriminate in rendering services hereunder on the basis of race, color, religion,
13 national origin, sex, sexual orientation, AIDS, HIV status, age, disability, handicap
14 or veteran status.

15 I. No Joint Venture or Partnership: Nothing in this Lease shall
16 be construed as creating either a partnership or joint venture between the parties
17 hereto.

18 J. Jointly Drafted: This Lease is jointly drafted by the parties
19 hereto and it is not to be construed against either party as the drafter.

20 K. Municipal Powers: Nothing contained herein shall be
21 construed as a limitation upon powers of City as a chartered city of the State of
22 California. This Lease is entered into by City in its proprietary capacity and
23 nothing contained herein shall relieve Lessee from complying with all
24 requirements, rules, regulations or ordinances of the City of Long Beach.

25 L. No Mineral Rights: This Lease creates no rights in Lessee to
26 minerals, or proceeds from mineral production, which may lie below the Premises
27 including but not limited to any unitized oil.

28 M. No Relocation Benefits: Lessee shall have no rights to

1 relocation benefits mandated by the laws of the State of California as to this
2 Premises.

3 N. Americans with Disabilities Act: Lessee shall have and be
4 allocated the sole responsibility to comply with the Americans with Disabilities Act
5 of 1990 ("ADA"), as amended, with respect to the Premises and Lessee shall
6 defend, indemnify and hold Lessor, its officials and employees harmless from and
7 against all claims of failure to comply with or violation of the ADA.

8 25. TAXES: This Lease may create a possessory interest subject to
9 property taxation and Lessee may be liable for the payment of property taxes levied on
10 such possessory interest. Lessee shall pay or cause to be paid, prior to delinquency, all
11 taxes, assessments and other governmental and district charges that may be levied or
12 assessed for buildings, improvements or property located on the Premises and upon
13 possessory interests created by this Lease. Satisfactory evidence of such payments
14 shall be delivered by Lessee upon demand therefore.

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OFFICE OF THE CITY ATTORNEY
ROBERT E. SHANNON, City Attorney
333 West Ocean Boulevard, 11th Floor
Long Beach, CA 90802-4664

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26. CITY SPONSORED SPECIAL EVENTS: Lessee recognizes that the area of the City in which Lessee will operate is annually impacted by Special Events, including but not limited to the running of the Long Beach Grand Prix, Sea Festival and boat shows. Lessee waives any and all claim that it might ever have against City or the operators of said Special Events, as a result of any adverse impact on its operations or business as a result of said Special Events.

BEACH VENTURES ENTERPRISES, INC., a California corporation

MARCH 1, 2010

By [Signature]
President

FRED KHAMMAR
Type or Print Name

MARCH 1, 2010

By [Signature]
Secretary

TOM DREHER
Type or Print Name

"Lessee"

CITY OF LONG BEACH, a municipal corporation
Assistant City Manager

8.23, 2010

By [Signature]
City Manager

EXECUTED PURSUANT TO SECTION 301 OF THE CITY CHARTER.

"City"

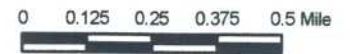
This Lease Agreement is approved as to form on August 5, 2010

ROBERT E. SHANNON, City Attorney

By: [Signature]
Deputy



Beach and Rainbow Lagoon Concessions



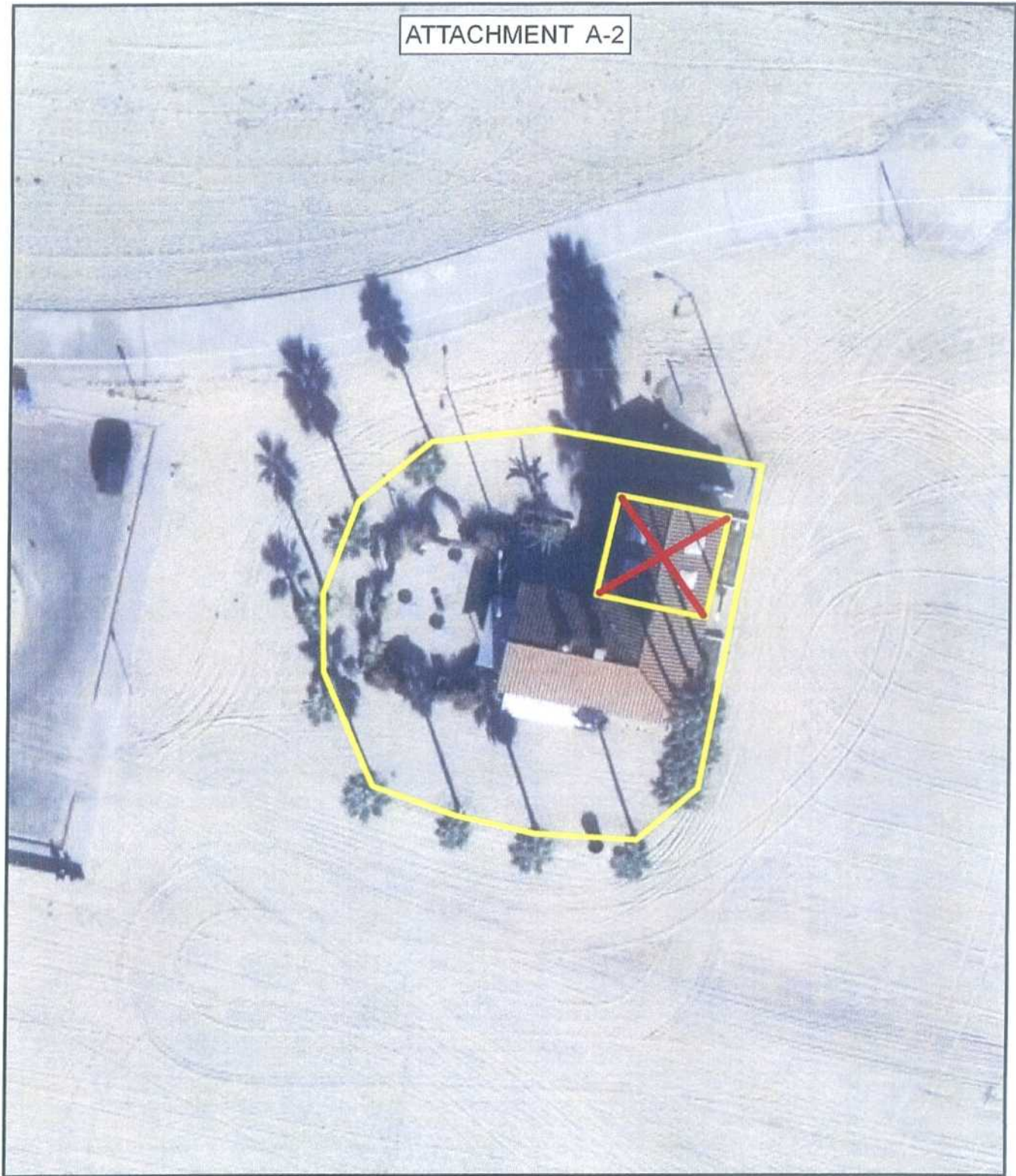
ATTACHMENT A-1



Alamitos Beach Concession



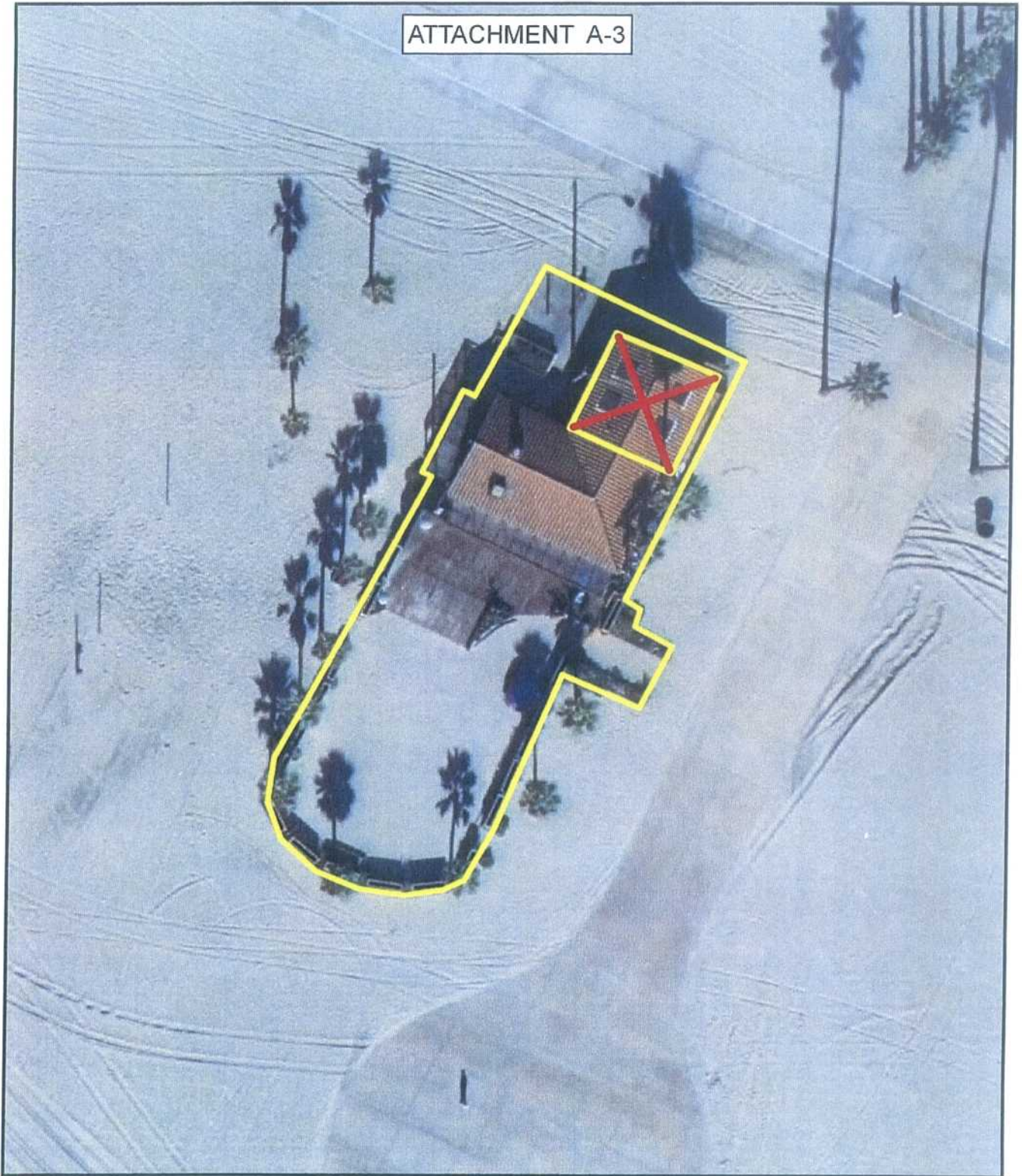
ATTACHMENT A-2



Cherry Beach Concession

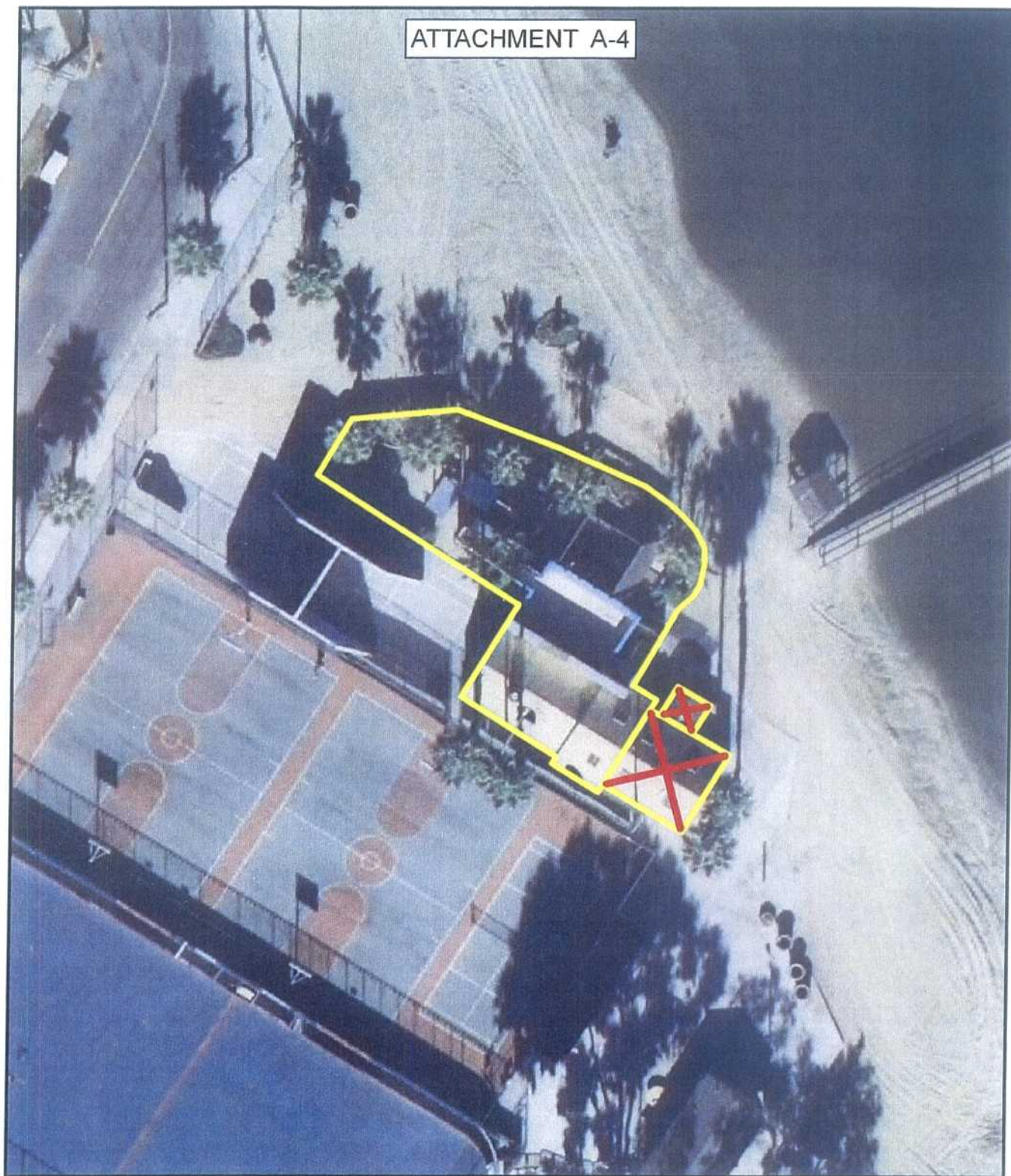


ATTACHMENT A-3



Granada Beach Concession

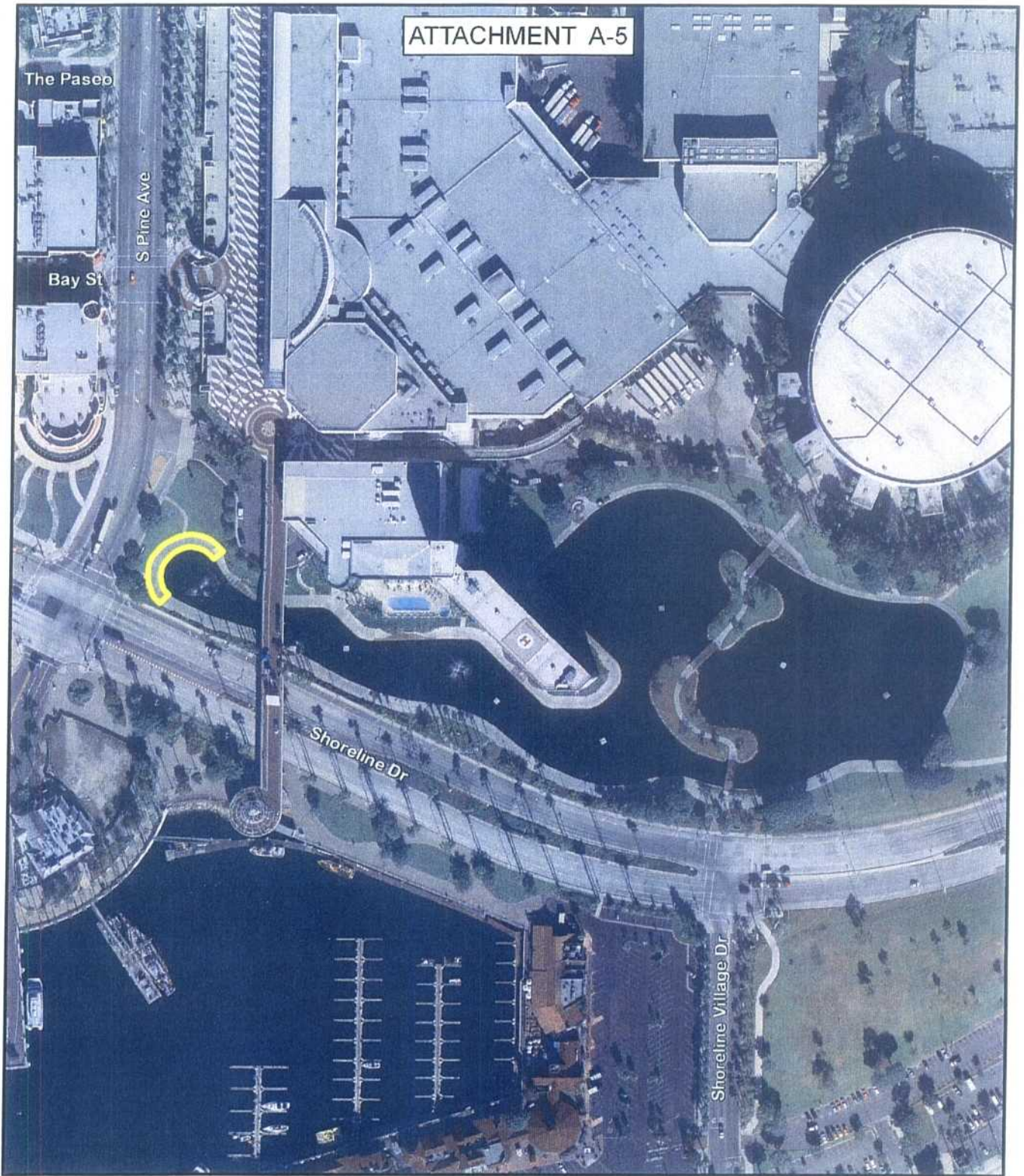




Bayshore Beach Concession



ATTACHMENT A-5



Rainbow Lagoon Concession

0 50 100 150 200 Feet

